



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502-564-1464

Fraud Statistics/Convictions Activity

March 2011

Fraud Statistics

	<u>Month/Jan</u>	<u>YTD</u>
Total Referrals Received.....	74	248
Closed Referrals.....	0	142
Open Cases (Investigations-includes prior years)		232
Assigned Cases (Investigations).....	45	63
Closed Cases (Investigations).....	9	22
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	3	4
Charges (5 felony).....	5	13
Convictions (1 felony/2 misdemeanor)	3	10
Restitution Ordered..... \$	0.00	11,839.83
Restitution Agreed.....\$	0.00	39,207.30
Investigation Expenses to Division		
Awarded..... \$	1000.00	3,898.75
Collected..... \$	910.00	4592.01
Administrative subpoenas issued.....	2	3
Non-licensed individuals.....	2	2
Licensed (active/inactive individuals)....	0	1
Subpoenas Received.....	6	11

Convictions Activity

Christopher J. Lyons –

Between Oct. 29 and Nov. 5, 2008, Lyons presented a fake or counterfeit certificate of insurance to Carpet Decorators Inc., as evidence that he had general liability and workers' compensation insurance through Garrett-Stotz Company. However, he did not have either. Lyons was charged with one felony count of fraudulent insurance acts in Shelby County. He pleaded guilty to the amended misdemeanor charge of attempted fraudulent insurance acts and was sentenced to 365 days, conditionally discharged for two years. Lyons also was ordered to pay \$525 to the Fraud Division for investigation expenses.

Patricia Kennedy –

On June 10, 2008, in Pendleton County, Kennedy, aka Patricia L. Hatfield, submitted or caused to be submitted a false/counterfeit and/or forged certificate of insurance as proof of insurance, in order to obtain work as a sub-contractor. Kennedy was charged with one felony count of fraudulent insurance acts. She pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts. She was sentenced to 12 months, which was probated for 24 months. She was also ordered to pay court costs in the amount of \$153 and a fine of \$500 to the Fraud Division for investigation expenses. Costs and fine have been paid.

Randall Lee Lanigan –

On Sept. 16, 2009, in Kenton County, Lanigan altered a purchase agreement provided to his insurance company as part of a claim. This was done in an attempt to gain an extra \$3,000 to which he was not entitled. Lanigan was charged with one felony charge of fraudulent insurance acts. He pleaded guilty to the charge and was granted pretrial diversion for a period of two years. If he successfully completes pretrial diversion, the charge will be designated as dismissed-diverted. Lanigan was ordered to pay a \$5,000 fine to the Kenton County Clerk's office and to pay court costs of \$130.